

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

May 31, 2017

Fred Stormer
Underwood Law Firm, P.C.
200 South Taylor Street
Amarillo, Texas 79101

RE: RES Cactus Flats Wind Energy, LLC (Application #1136)

Fred;

When we initially filed the Value Limitation Application for the RES Cactus Flats Wind Energy, LLC project proposed for Eden CISD the construction schedule had the project completed by December 31, 2017. Earlier this week RES notified me that the construction schedule has slipped and construction would not be completed until June of 2018. Accordingly, they have asked me to file to amend the Agreement with Eden CISD to defer the start of the LAVA until 2019.

Below is a list of amendments to the Application that was certified by the Comptroller which are necessary to request the deferral of the LAVA start date.

The amendments to the original Application are as follows:

Form 50-296, Page 5, Section 9

Item 4 has been amended from 2018 to 2019
Item 5 has been amended from 4Q 2017 to 2Q 2018
Item 6 has been amended from 2018 to August 2018
Item 7 has been checked "Yes"
Item 8 has been amended to 3Q 2018

Tab 14

Schedule A1

Schedule A1 has been amended to reflect a revised capital spend and timeline showing investment in 2017 and 2018.

Schedule A2

Schedule A2 has been amended to reflect the revised capital spend and start date of the Value Limitation.

Schedule B

Schedule B has been amended to reflect the revised capital spend and start date for the Value Limitation.

Schedule C

Schedule C has been amended to show construction employees being present in 2017 and 2018.

Schedule D

Schedule D has been amended to reflect the change in start dates for the County, Hospital and Water District Tax Abatement Agreements from 2018 to 2019 and revised Tax Levy Figures in columns E and G for each of those taxing entities as resulting from the revised capital spend.

The original of the signature page will be mailed to your attention at Underwood Law Firm, P.C. offices in Amarillo.

Would you please draft the corresponding Amended Agreement so it could be reviewed by RES and hopefully submitted to the Comptroller to track on the heels of the Amended Application?

Your help with this is greatly appreciated.

Please let me know if you have questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sam A. Gregson".

Sam A. Gregson
Senior Consultant

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 9: Projected Timeline

1. Application approval by school board November 2016
 2. Commencement of construction 2017
 3. Beginning of qualifying time period 2017
 4. First year of limitation 2019
 5. Begin hiring new employees Q2 2018
 6. Commencement of commercial operations August 2018
 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No
- Note:** Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? 3Q 2018

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Concho County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Concho CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

County: <u>Concho: \$0.833596; 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Concho County HD: \$0.2800; 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>Lipan-Kickapoo WCD; \$0.0149; 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <small>(Name, tax rate and percent of project)</small>	Other (describe): <small>(Name, tax rate and percent of project)</small>
5. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
 - 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 - 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
 2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2016	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application				0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0	0	0	0	0
Complete tax years of qualifying time period	QTP1	2017-2018	2017	65,000,000	0	0	0	65,000,000
	QTP2	2018-2019	2018	124,000,000	1,000,000	0	0	125,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				189,000,000	1,000,000	0	0	190,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				190,000,000				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				189,000,000	1,000,000	0	0	190,000,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2017-2018	2017	0	0	0	0	0
	0	2018-2019	2018	0	0	0	0	0
Value limitation period***	1	2019-2020	2019	0	0	3,000,000	0	3,000,000
	2	2020-2021	2020	0	0	3,000,000	0	3,000,000
	3	2021-2022	2021	0	0	3,000,000	0	3,000,000
	4	2022-2023	2022	0	0	3,000,000	0	3,000,000
	5	2023-2024	2023	0	0	3,000,000	0	3,000,000
	6	2024-2025	2024	0	0	3,000,000	0	3,000,000
	7	2025-2026	2025	0	0	3,000,000	0	3,000,000
	8	2026-2027	2026	0	0	3,000,000	0	3,000,000
	9	2027-2028	2027	0	0	3,000,000	0	3,000,000
	10	2028-2029	2028	0	0	3,000,000	0	3,000,000
Total Investment made through limitation				189,000,000	1,000,000	30,000,000	0	220,000,000
Continue to maintain viable presence	11	2029-2030	2029			3,000,000		3,000,000
	12	2030-2031	2030			3,000,000		3,000,000
	13	2031-2032	2031			3,000,000		3,000,000
	14	2032-2033	2032			3,000,000		3,000,000
	15	2033-2034	2033			3,000,000		3,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034			3,000,000		3,000,000
	17	2035-2036	2035			3,000,000		3,000,000
	18	2036-2037	2036			3,000,000		3,000,000
	19	2037-2038	2037			3,000,000		3,000,000
	20	2038-2039	2038			3,000,000		3,000,000
	21	2039-2040	2039			3,000,000		3,000,000
	22	2040-2041	2040			3,000,000		3,000,000
	23	2041-2042	2041			3,000,000		3,000,000
	24	2042-2043	2042			3,000,000		3,000,000
	25	2043-2044	2043			3,000,000		3,000,000

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date

5/31/2017

Amendment No. 3-6/7/2017

Applicant Name

RES Americas Cactus Flats Wind Energy, LLC

Form 50-296A

ISD Name

EDEN CISD

Revised May 2014

				Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	Tax Year (Fill in actual tax year) YYYY	0	0	0	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	0	0	0	0	0	0
Value Limitation Period	1	2019-2020	2019	0	0	186,249,000	186,249,000	186,249,000	20,000,000
	2	2020-2021	2020	0	0	173,212,000	173,212,000	173,212,000	20,000,000
	3	2021-2022	2021	0	0	161,087,000	161,087,000	161,087,000	20,000,000
	4	2022-2023	2022	0	0	149,811,000	149,811,000	149,811,000	20,000,000
	5	2023-2024	2023	0	0	139,324,000	139,324,000	139,324,000	20,000,000
	6	2024-2025	2024	0	0	129,571,000	129,571,000	129,571,000	20,000,000
	7	2025-2026	2025	0	0	120,501,000	120,501,000	120,501,000	20,000,000
	8	2026-2027	2026	0	0	112,066,000	112,066,000	112,066,000	20,000,000
	9	2027-2028	2027	0	0	104,221,000	104,221,000	104,221,000	20,000,000
	10	2028-2029	2028	0	0	96,926,000	96,926,000	96,926,000	20,000,000
Continue to maintain viable presence	11	2029-2030	2029	0	0	92,080,000	92,080,000	92,080,000	92,080,000
	12	2030-2031	2030	0	0	87,476,000	87,476,000	87,476,000	87,476,000
	13	2031-2032	2031	0	0	83,102,000	83,102,000	83,102,000	83,102,000
	14	2032-2033	2032	0	0	78,947,000	78,947,000	78,947,000	78,947,000
	15	2033-2034	2033	0	0	75,000,000	75,000,000	75,000,000	75,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034	0	0	71,250,000	71,250,000	71,250,000	71,250,000
	17	2035-2036	2035	0	0	67,688,000	67,688,000	67,688,000	67,688,000
	18	2036-2037	2036	0	0	64,304,000	64,304,000	64,304,000	64,304,000
	19	2037-2038	2037	0	0	61,089,000	61,089,000	61,089,000	61,089,000
	20	2038-2039	2038	0	0	58,035,000	58,035,000	58,035,000	58,035,000
	21	2039-2040	2039	0	0	55,133,000	55,133,000	55,133,000	55,133,000
	22	2040-2041	2040	0	0	52,376,000	52,376,000	52,376,000	52,376,000
	23	2041-2042	2041	0	0	49,757,000	49,757,000	49,757,000	49,757,000
	24	2042-2043	2042	0	0	47,512,500	47,512,500	47,512,500	47,512,500
	25	2043-2044	2043	0	0	47,512,500	47,512,500	47,512,500	47,512,500

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 5/31/2017
 Applicant Name RES AMERICAS CACTUS FLATS WIND ENEI
 ISD Name EDEN CISD

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	0	0	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	100 FTE	43,000	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2019-2020	2019	200 FTE	43,000	0	5	30,000
	2	2020-2021	2020	N/A	N/A	0	5	30,000
	3	2021-2022	2021	N/A	N/A	0	5	30,000
	4	2022-2023	2022	N/A	N/A	0	5	30,000
	5	2023-2024	2023	N/A	N/A	0	5	30,000
	6	2024-2025	2024	N/A	N/A	0	5	30,000
	7	2025-2026	2025	N/A	N/A	0	5	30,000
	8	2026-2027	2026	N/A	N/A	0	5	30,000
	9	2027-2028	2027	N/A	N/A	0	5	30,000
	10	2028-2029	2028	N/A	N/A	0	5	30,000
Years Following Value Limitation Period	11 through 25	2027-2042	2027-2041	N/A	N/A	0	5	30,000

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
 Only include jobs on the project site in this school district.

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) ☒ Yes ☐ No
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? ☒ Yes ☐ No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ☒ No

Schedule D: Other Incentives (Estimated)

Date 5/31/2017
Applicant Name RES AMERICAS CACTUS FLATS WIND ENERGY, LLC
ISD Name EDEN CSD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Concho County	2019	10 Years	Annual Avg. of \$1,144,500	see detail below	Annual Avg. of \$371,650
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Concho County Hospital Dist	2019	10 Years	Annual Avg. of \$384,430		Annual Avg. of \$124,830
	Other: Lipan - Kickapoo UWCD	2019	10 Years	Annual Avg. of \$20,460	N/A	Annual Avg. of \$6,650
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				\$ 1,549,840		\$ 503,130

Tax Levy

Additional information on incentives for this project:

County Terms: RES Cactus Flats Wind energy, LLC expects to apply for an abatement structured as follows: Year 1 - 72.5%, Year 2 - 71.3%, Year 3 - 70.2%, Year 4 - 68.9%, Year 5 - 67.6%, Year 6 - 66.3%, Year 7 - 64.9%, Year 8 - 63.4%, Year 9 - 61.9%, Year 10 - 60.3%

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here

Kent Coker

Print Name (Authorized School District Representative)

sign
here

Signature (Authorized School District Representative)

Superintendent

Title

6-8-17

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print
here

Brian Evans

Print Name (Authorized Company Representative (Applicant))

sign
here

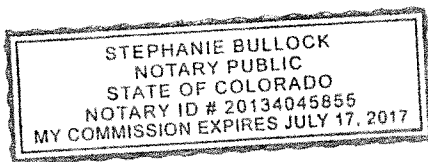
Signature (Authorized Company Representative (Applicant))

Chief Development Officer

Title

6/11/2017

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

1 day of June, 2017

Stephanie Bullock

Notary Public in and for the State of Texas - Colorado

My Commission expires: July 17 2017

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.